DOCUMENT RESUME

ED 310 214 UD 026 968

TITLE	America's People: An Imperiled Resource. National Urban Policy Issues for a New Federal Administration.
INSTITUTION	National Association of State Universities and Land Grant Colleges, Washington, D.C.
PUB DATE	89
NOTE	30p.
AVAILABLE FROM	National Association of State Universities and Land-Grant Colleges, One Dupont Circle, NW, Suite 710, Washington, DC 20036-1191 ($3.00).
PUB TYPE	Reports - Evaluative/Feasibility (142)
EDRS PRICE	MF01/PC02 Plus Postage.
DESCRIPTORS	*Disadvantaged Youth; Dislocated Workers; Economically Disadvantaged; Economic Development; Health Care Costs; Health Insurance; *High Risk Persons; Housing Needs; Infant Mortality; Labor Supply; Long Term Care; *Older Adults; Poverty; *Public Policy; Rural Urban Differences; *Urban Education; *Urban Problems; Urban Universities
IDENTIFIERS	Bush Administration; Environmental Problems; Environmental Protection

ABSTRACT

This report seeks to identify and make policy recommendations concerning major urban issues confronting the Bush Administration. The Division of Urban Affairs of the National Association of State Universities and Land-Grant Colleges (NASULGC) established working groups and commissioned papers on the following six key urban policy issues: (1) economic development; (2) environmental protection; (3) housing; (4) poverty; (5) health; and (6) education. This report summarizes major issues presented in the papers, organized around common themes. Threats to urban economic growth include the labor shortage and the impact of environmental pressures on the public infrastructure. Growing economic and social disparities among regions in the United States involve the following elements: (1) capital markets; (2) the telecommunications infrastructure; and (3) bidding wars for economic development. Lack of affordable housing is a problem in virtually all American cities. Poverty resulting from economic changes manifests itself in the following ways: (1) displaced workers; (2) disenfranchisement from health care; and (3) the working and persistently poor. Problems confronting young people include the following: (1) teenage pregnancy; (2) infant mortality; (3) pervasive poverty; and (4) unmet educational needs of the disadvantaged. Health care needs of the elderly constitute a serious problem. Urban universities have a significant investment in national action on these issues. A list of Oversight Committee and Working Group membership is appended. (AF)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED310214

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

G. Hudgins
Natn Assoc. of State Univ. and Land Grant Colleges

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

America's People: An Imperiled Resource

IR026968

America's People: An Imperiled Resource

National Urban Policy Issues for a New Federal Administration

Division of Urban Affairs

National Association of
State Universities and
Land-Grant Colleges

One Dupont Circle, N.W.
Suite 710
Washington, D.C. 20036
202/778-0851

Contents

Preface ..... *i*

Introduction ..... *iii*

Executive Summary ..... *vii*

Summary of Findings *1*

That Was Then, This Is Now *1*

Economic Growth and Regional Disparities *3*

Threats to Growth *3*

Labor Shortage *3*

Public Infrastructure and Environmental Pressures *3*

Regional Disparities *4*

Capital Markets *5*

Telecommunications Infrastructure *5*

Bidding Wars for Economic Development ... *5*

Metropolitan Disparities and the Persistence of Poverty *6*

Economic Changes and Metropolitan Disparities *6*

Affordable Housing *6*

Economic Changes and the Persistence of Poverty *7*

Displaced Workers *7*

Health Insurance *7*

The Working Poor and the Persistently Poor *7*

Two Populations at Hazard 8

The Immediate Crises of the Young 8

Teenage Pregnancy 8

Infant Mortality 8

Children in Poverty 9

Education 9

The Elderly and the Health-Care Time Bomb 10

Long-Term Health-Care Needs of the Elderly 11

Urban Universities and the Future 12

Oversight Committee and Working Group Membership, 1988 14

Preface

The Division of Urban Affairs of the National Association of State Universities and Land-Grant Colleges (NASULGC), sensing that a new discussion of urban issues would be timely and important on the eve of a new decade, commissioned the papers that are the basis for this report. The division intends that this document contribute to national debate and hopes it will assist in the formation of fresh urban policies.

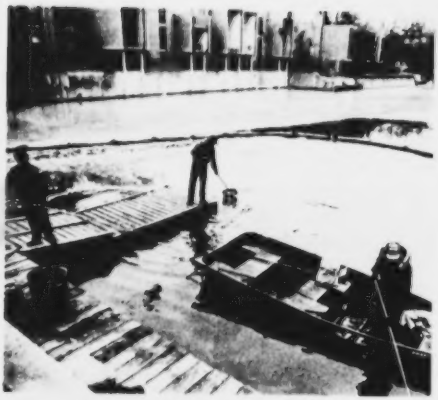
The NASULGC Division of Urban Affairs recognizes that the problems discussed in this report—economic development, environmental protection, housing, poverty, education, and health—are national in scope. But they are of special significance to urban America, because a majority of the U.S. population resides in cities and metropolitan areas. If the lives of urban citizens are to be improved, urban conditions must be improved. The inauguration of a new federal administration in 1989 provides an opportunity to focus again on the urban and metropolitan areas of the United States and to think about policies and program initiatives that could carry through to the end of this century.

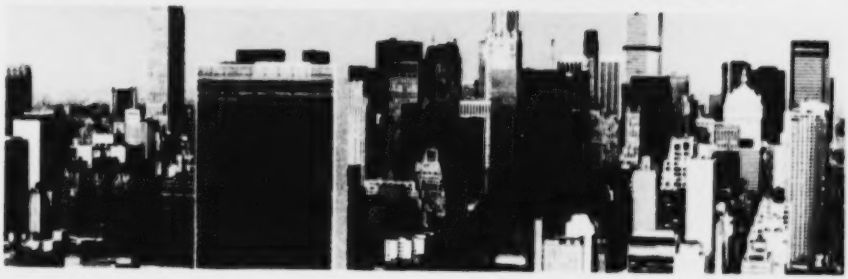
The urban affairs division is made up of major, public urban universities with wide-ranging teaching, research, and extension and public service programs serving the needs of urban populations. Division-member universities are engaged in countless ways with other urban institutions, urban and metropolitan governments, and urban students. They are committed to the solution of urban problems and to the stimulation of economic development in urban areas. It is clear to the division that the future health of urban universities is closely tied to the health of urban and metropolitan areas.

Publication of this report, it is hoped, will stimulate a healthy discussion of national urban policy. The clash of ideas—so important in any university—also is good for a free society. Readers are invited to communicate with the Division of Urban Affairs about any aspect of the materials presented.

Donald C. Swain
Chairman,
Division of Urban Affairs
National Association
of State Universities
and Land-Grant Colleges

President,
University of Louisville





Introduction

The Division of Urban Affairs of the National Association of State Universities and Land-Grant Colleges (NASULGC) believes there is a significant opportunity to place urban policy issues on the agenda of the new national administration taking office in 1989.

In concert with various national organizations dedicated to renewing national urban policy discussions, the NASULGC urban affairs division and its participating institutions have developed an urban policy agenda for the new Bush administration, using the best expertise available in the nation's urban public universities.

♦♦♦♦

The 1980's have been a time of neglect for national urban policy.

After years of significant federal investment in the nation's cities and urban institutions, the United States has witnessed a weakening of national resolve to find solutions to the problems and needs of urban citizens. State and local governments and institutions have struggled to fill the gaps in funding and services—sometimes with impressive results. However, the growing numbers of homeless, poorly educated, and unemployed persons in cities—and the increased pressure on urban services, such as health, education, transportation and infrastructure—attest to the continued need for a renewed national commitment to urban areas. The urban division hopes these policy papers will help return that commitment to a top priority on the nation's agenda.

Urban Universities and a National Urban Policy

Urban universities have a vested interest in the health and welfare of the nation's cities and metropolitan areas. Many of these institutions are located in central cities and are affected directly by the deterioration of housing, education, infrastructure, and public health in their neighborhoods. Urban campuses draw the vast majority of their students from the cities and metropolitan areas in which they are located; indeed, they have an obligation to provide the highest levels and quality of education to urban citizens. Moreover, many urban universities provide a wide range of essential services, ranging from hospital care to technical assistance, for large numbers of urban residents and governments with few, if any, accessible alternatives.

Urban universities are confronted with similar problems whether located in New York, Chicago, Los Angeles, Houston or smaller cities; they increasingly believe that a renewed national urban policy is essential to developing effective solutions.

Urban issues are national issues; the future of the United States and its domestic and international security is tied directly to the fate of its cities and metropolitan areas—the nation's major population centers.

State and local governments always will have a critical role to play in urban policy, but urban problems are increasingly national in scope and effect. The importance of a national urban policy—particularly as expressed through a renewed commitment by the federal government to providing leadership—should be a central priority for a new national administration.

♦♦♦♦

Since its creation in 1979, the NASULGC urban affairs division has undertaken a wide range of programs and projects, addressing the needs and concerns of urban public universities. The division has sponsored various conferences and seminars on administrative, student affairs, and other issues for urban universities; sponsored the publication of reports and monographs on professional service, strategic planning, and related issues; supported a major national program to build more effective urban university-urban school collaboration; and worked with other national higher education organizations to advocate the authorization and funding of the Urban Grant University Program (Title XI of the Higher Education Amendments of 1980).

Additionally, the division has retained a long-term interest in national urban policy issues, including the sponsorship of several seminars on national urban policy for urban university presidents, and it contributed to work done during the early 1980's by the Committee on National Urban Policy of the National Research Council. The Urban Policy Project on which this report is based is a logical extension of the division's work with and for NASULGC's urban public universities.

Six Key Urban Policy Issues

The NASULGC Division of Urban Affairs launched its Urban Policy Project to link the best thinking of faculty members and scholars in its member universities to the need for clear, practical, and timely policy ideas and information by members of executive and congressional staffs, other organizations seeking the renewal of a national urban policy, and a broad range of others on and off campus.

The division selected six issues from a large public policy menu. In each case—economic development, environmental protection, housing, poverty, health, and education—the division solicited from institutions names of faculty members and others who had strong research records and an interest in and

orientation to the needs of policymakers and the informed public. The division could have selected six different issues of equal importance to cities, including drug abuse, criminal justice, racism, and infrastructure decay. But, the division believes that the six issues selected are of particular importance to a national urban policy for the 1990's and are inextricably linked one with the other.

Many reports and studies have been issued during the past three decades which called attention to the deep split in American society across racial, social class, and economic lines. Readers of the six NASULGC policy papers will reach their own conclusions as to how far the United States has traveled toward a nation of two societies—of sustained civil unrest, of younger generations becoming more permanently alienated, and of the nation losing what it can not afford to lose: the talents and energies of a significant portion of its population. But it is undeniable that very serious problems face America, centering around the social and economic conditions of urban people, as the last decade of the 20th century rapidly approaches.

The six papers on which this report is based provide a sharp, succinct statement of the policy issues in each functional area, a set of possible and plausible recommendations to be considered in the national political discussion, and a call to urban public universities to become more involved in the improvement of public understanding of these issues. The policy issues are important to urban America and to the improvement of life in U.S. cities; therefore, they are important to all of America.

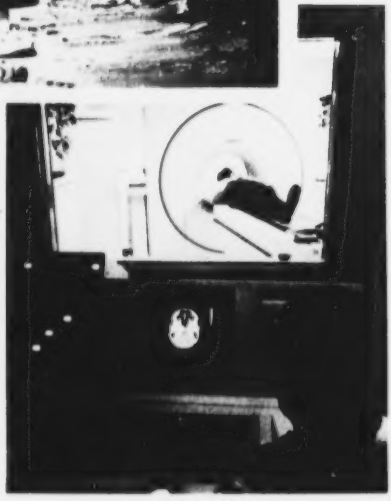
The urban affairs division hopes readers will use these papers to become involved in the national policy discussion and to help define needs and possible solutions. The initial months of the Bush administration will be crucial to setting a national urban agenda for much of the next decade.

David Ames
University of Delaware

Nevin Brown
National Association of State Universities and Land-Grant Colleges

Sue Marx Smock
Wayne State University

Jerome Ziegler
Cornell University



Executive Summary

Working group reports document that the resource that always has been the strength and pride of the United States—its population—is in peril.

The U.S. population is aging, with an ever-larger proportion increasingly dependent on the rest of society.

Fewer people are moving into the labor force as the number of young workers declines; and many of those who do find jobs are not fully qualified for work in a rapidly changing economy.

A greater percentage of the young population is black or Hispanic, poor, and increasingly disadvantaged.

Moreover, the nation has been pursuing and proposing policies in recent years that further will diminish the U.S. population's capabilities. Not only is the country losing human resources necessary for its future prosperity and security, but it is denying a substantial number of its citizens opportunities that should be their birthright, leaving them alienated and in misery—members of a permanent underclass.

Summary of the Findings

Prepared by

David L. Ames and Mary Helen Callahan

College of Urban Affairs and Public Policy
University of Delaware (1)

The Division of Urban Affairs of the National Association of State Universities and Land-Grant Colleges (NASULGC), in establishing six urban policy working groups—on economic development, environmental protection, education, health, housing, and poverty—sought to identify major urban issues for the new federal administration taking office in 1989 and to make policy recommendations.

This report summarizes major issues pinpointed by the working groups, organizing them around common themes.

That Was Then, This Is Now

The national urban policy issues identified by the working groups flow from unique and major underlying changes of the last 20 years in the demographic and economic structure of the United States. The broad outlines of those changes are well known; their consequences are not.

Because of the decline in U.S. birthrates that began in the late 1960's, the population is slowly aging, creating for the future a large older, more socially dependent population, while fewer young people are entering the labor force to support them and staff the country's economy. At the same time, the economy has shifted from manufacturing toward a more service-oriented marketplace. This trend has accelerated as a strongly competitive global economy has brought intense pressures on American productivity. Additionally, the United States recently has become the world's largest debtor nation, incurring substantial trade deficits and growing increasingly dependent on foreign capital to finance a large federal budget deficit.

---

[1] The six urban policy working groups and their chairs are: Economic Development—Professor Marie Howland, *University of Maryland, College Park*; Education—Professor Jeffrey Raffel, *University of Delaware*; Environmental Protection—Professor James Gillett, *Cornell University*; Health—Professor Roger Battistella, *Cornell University*; Housing—Professor David Listokin, *Rutgers, The State University of New Jersey*; and Poverty—President Robert Corrigan, *San Francisco State University* (former Chancellor, *University of Massachusetts at Boston*), and Professor Howard Chernick, *Hunter College/City University of New York* (co-chairs).

Within these broad changes, there are more specific elements that are almost as important: the decline in household size and the dramatic increase in single-parent households; and the emergence of a dual economy, strong along the nation's two coasts but much weaker in the nation's heartland. The working groups also documented an increasingly permanent dualism of inequity in American society evidenced in a variety of ways.

A basic thesis of the working groups is that the urban problems facing the United States in the late 1980's are very different from those of the crisis years of the 1960's.

✔ *Then* AIDS, the plague that attacks and destroys the immune system in human beings, was unknown . . . *Now* the Health Working Group warns that AIDS is the most significant health problem confronting the nation.

✔ *Then* the urban housing question was one of improving substandard shelter of those living in slums . . . *Now* it is finding any shelter for a growing homeless population, as well as providing affordable housing for the young, working, and middle class.

✔ *Then* environmental problems were thought to be ones of restoration of air, water, and land quality . . . *Now*, in spite of progress under more than 40 federal anti-pollution laws, the environment remains threatened, particularly for urban people.

✔ *Then* the focus on the disadvantaged and minorities in the central cities was one of equity—the concern was to enable them to move into the economic mainstream and share in U.S. prosperity . . . *Now* the focus is on economic necessity—U.S. long-term economic well-being depends on bringing into the labor force the youth of a large and growing disadvantaged population concentrated in central cities.

✔ *Then* the social and economic disparities in the population were exhibited most prominently between declining central cities and affluent suburbs . . . *Now*, during a period of general economic expansion, economic and social disparities between regions, metropolitan areas, and individuals appear to be growing.

Thus, while the vocabulary of urban problems remains much the same—for many earlier problems have persisted and in some cases worsened—the working groups see a great urgency to communicate that in significant respects the United States is a very different country than it was two decades ago or than many people feel it is today.

In this summary, the focus is on major policy issues and questions raised by the six working groups, rather than a discussion of specific proposals. But

policy solutions must be developed, for there is a growing *social deficit* in the United States that can be measured not only in social indicators but also in dollars. By not recognizing the financial implications of current economic, social and demographic trends, or by not recognizing the financial implications of current problems in these policy areas, enormous deferred financial liabilities are being created that could well become a major threat to national security, as well as domestic tranquility. The costs could eventually become so great that they could not be met. That, too, is a change.

Economic Growth and Regional Disparities

Threats to Growth

Although the national economy is experiencing prolonged expansion, the Economic Development Working Group cautions that growth has occurred in the face of a decline in the competitiveness of the U.S. economy and is based, in part, on large federal budget and trade deficits that threaten to undermine the national standard of living. The working group is especially concerned that the United States may not be able to create the conditions necessary to assure national economic growth in the future: adequate financial capital, technological innovations, entrepreneurial talent, public infrastructure, and an educated labor force.

Labor Shortage. The shortage of qualified labor, according to the Economic Development Working Group, already is serious in some central cities and partly responsible for the loss of jobs to suburban areas and the failure of some urban areas to attract jobs in the growing information sector. Although most serious in cities, the labor shortage is becoming national and will threaten long-term national growth.

The labor shortage results partly from a large pool of inner-city youth who are not acquiring the basic skills of reading, writing, and mathematics or the discipline required to hold jobs. While baby boomers were entering the labor market, employers could ignore the large number of unqualified workers; now that luxury is not possible. Low educational attainment is no longer only a social concern, but threatens economic growth as well.

According to the working group, the economic consequences of not educating these young people may be that skilled, as well as more unskilled, jobs will move overseas, further undermining America's tax base, balance of payments, and future economic growth and well-being.

Public Infrastructure and Environmental Pressures. The condition of highways, bridges, water and sewer systems, and solid-waste

disposal facilities are critical to economic development, public health, and environmental quality. It is ironic that after a century of progress in public health, environmental issues facing cities again are ones of how to survive fallout from toxic materials and processes that fuel society.

The Economic Development and the Environmental Protection Working Groups view water and sewer systems as needing major physical and managerial upgrades. The Environmental Protection Working Group documents that the quality of outdoor air, especially in urban areas, is either threatened or not responding to remedial efforts. Indoor air pollution is an important item on the environmental agenda as solvents from paints, outgassing of foam insulation, and the products of human metabolism are recirculated in closed, energy-efficient buildings. Water quality and supply continue to be problems and contaminants have entered the aquatic food chain, while acidic deposits also have had widespread environmental effects. Solid and hazardous wastes mount and become increasingly exotic chemically, while technological solutions to their disposal resist research efforts and political barriers to their disposal rise in the form of the NIMBY ("not in my back yard") syndrome.

Maintaining and improving the quality of air and water and the safety of homes and workplaces are costly activities. The Council on Environmental Quality has estimated that between 1972 and 1979 $271.6 billion was spent by the public and private sectors on pollution abatement and that an additional $518.5 billion would be spent by 1988. Despite these expenditures, pressures on federal, state, and local budgets have resulted in underfunding of agencies charged with protecting the environment.

Cities face escalating costs to comply with stiffer environmental standards, while also grappling with decreased levels of federal and state assistance. Water and sewer systems in metropolitan areas must cope with increasing pollutants from industry, oil spills, dredged materials, and leachate from land fills. Many states and municipalities are so financially constrained that they can monitor less than 1 percent of significant direct and indirect discharges. Moreover, although many sewer treatment plants are improved greatly from two decades ago, they are a major source of pollution as technologies have failed to keep pace with the growing range and volume of pollutants. Air pollutants and related problems derived from automobiles and trucks have proved similarly recalcitrant and intractable.

Regional Disparities

The six working groups documented what appear to be growing economic and social disparities within the United States among individuals, groups, and regions. The Economic Development Working Group sees a robust economy

becoming increasingly concentrated in fewer locations, placing those not in prime places at a permanent disadvantage and making them home to serious social problems, such as displaced workers. The working group documents this growing concentration and creation of competitive advantage in two aspects of the economy: capital markets and telecommunications.

Capital Markets. The Economic Development Working Group points out that U.S. capital markets are experiencing major structural changes in terms of the internationalization of equity markets and the dismantling of geographic barriers in the U.S banking industry, resulting in the consolidation of banks. These changes, according to the working group, could result in less capital availability for peripheral communities and areas. The domination of regional capital markets by fewer central banks could lead to reduced access for short-term working capital in some locations. The working group also believes that minority-owned firms, small firms, and businesses in lagging regions may have trouble borrowing money at competitive rates within the domestic capital market.

Telecommunications Infrastructure. Before deregulation of the telecommunications industry in 1984, the role of the federal government had been to insure that communications services were available nationally at reasonable rates.

Although competition in the telecommunications industry has given users a growing range of options—including fiber optics, smart buildings, and local area networks—the major investments in new telecommunications infrastructure are concentrated in the largest metropolitan areas. This is so, according to the Economic Development Working Group, because investments are made entirely on the basis of profit, and telecommunications innovations are most cost-effective in the largest metropolitan areas, which carry the largest traffic. Consequently, there is a growing gap between the telecommunications services available in major urban areas and smaller cities and towns. For some cities, this must further undermine their ability to compete economically.

Bidding Wars for Economic Development. As a result of an increasing economic competition, the Economic Development Working Group points out that state and local development programs have evolved into intense bidding wars among jurisdictions. Communities compete for jobs by giving generous tax breaks, floating industrial revenue bonds, providing infrastructure for new or expanding firms, or cutting business taxes and reducing the value of social programs and worker protections. The danger is that communities assume large liabilities even when they successfully recruit new development: excessive tax abatements cut into tax revenues needed to provide key services, and floods of industrial revenue bonds drive up interest rates on municipal bonds needed for public works projects. A community can go into debt for decades

recruiting economic development prospects. Yet, as the working group states, communities fear that if they do not participate in the bargaining process, they will be seen as "anti-business" and lose out on further development.

Metropolitan Disparities and the Persistence of Poverty

Economic Changes and Metropolitan Disparities

Growing regional economic disparities in the United States are reflected in metropolitan areas and cities. Many cities in the Northeast and Midwest are losing population and employment, even as urban areas in the West grapple with economic growth controls. Previously declining cities, such as New York and Boston, are making the transition to service-based economies and have strong tax bases, according to the Economic Development Working Group. Others, such as Buffalo and Cleveland, still are dependent on heavy manufacturing and continue to lose jobs and tax revenues. Yet, there are few cities or metropolitan areas of homogeneous growth or decline; economic and social disparities are found in all areas.

The Housing Working Group reported that, according to a "central city hardship index" (a comparison of central cities to surrounding suburbs in terms of unemployment, poverty, educational attainment, and other socioeconomic indicators) developed for the nation's 50 largest cities by Richard Nathan and Paul Dommel, the average central city-suburb hardship ratio rose by 40 percent from 1970 to 1980. The greatest increase occurred among those central cities that were worse off to begin with. Central cities are becoming depositories, by default, of the least advantaged—with residents often living in desperate pockets of poverty. The Poverty Working Group reinforces this conclusion, pointing out that in 1986, when the metropolitan area poverty rate was 12.3 percent, the rate was 18 percent in the central cities, but only 8.3 percent in the suburbs.

Affordable Housing. In virtually all American cities there is a lack of affordable housing—especially for renters. Detroit, St. Louis, and Cincinnati, for example, which have lost population through relocation of jobs to other regions and declines in household size, face major problems of housing disinvestment, abandonment, and deteriorating housing conditions. Even in cities with strong local economies, such as Boston and New York, expanding demand for downtown housing linked to high-wage professional employment growth has resulted in the displacement of low- and moderate-income households.

The Housing Working Group cites the *American Housing Survey* as finding that the number of "inadequate structures" in metropolitan areas increased by 10

percent from 1974 to 1981; the number of "inadequate neighborhoods" rose by one-fourth. For certain groups, such as minorities, the situation was worse; as of 1981, households headed by blacks were twice as likely as their white counterparts to live in structurally unsound buildings or troubled neighborhoods.

Moreover, housing has become less affordable, especially for low-income renters. From 1974 to 1981, the number of renter households paying more than 35 percent of their income for housing rose from 5.8 million to 9.1 million, according to the Housing Working Group. This included more than six million households earning less than $5,000 in 1980. The increase in homelessness in the 1980's, now estimated at 250,000 to three million people, is the most graphic and tragic testimony to a lack of affordable housing.

Economic Changes and the Persistence of Poverty

Structural changes in the economy—which have brought competitive pressures to lower labor costs, and the replacement of many well-paying jobs carrying generous fringe benefits in manufacturing with low-paying jobs and slim fringe benefits, often in service industries—have reduced many Americans to the status of near poor or full-time working poor. The decline in wages for many has been accentuated, as the Housing Working Group points out, by a parallel reduction of the social "safety net"—unemployment benefits, public service jobs, training, and other programs.

Displaced Workers. The decline of the manufacturing sector with the closing of plants has led to the creation of distressed communities with large numbers of displaced workers, especially in declining regions of the country. According to the Economic Development Working Group, studies show that workers permanently laid off from the manufacturing sector often experience protracted unemployment and large financial losses. In addition, many displaced workers experience psychological and sociological symptoms of extreme stress and loss of self-esteem. Their re-entry into the labor force is often as difficult as that of the disadvantaged city youth.

Health Insurance. According to the Health Working Group, 37 million Americans are disenfranchised from health care. They are found mainly among the newly unemployed, who lose previous health-care benefits; among low-income, primarily service workers in small businesses who do not have employer-provided health insurance, and among individuals living below the poverty line who do not qualify for Medicaid benefits as established by individual states. Moreover, almost 90 percent of employed uninsured people are ineligible for coverage or work for firms that do not offer health coverage. Each year, more than one million of the uninsured are denied health care.

The Working and Persistently Poor. The Poverty Working Group says that the percentage of the poor who are working is at its highest level since

1968—41.5 percent of those 15 years or older in 1987 were classified as "working poor". In 1986, some 8.9 million Americans had earnings that were insufficient to pull themselves or their families out of poverty.

Further, there is increasing evidence that once households and individuals drop below the poverty line, they stay there for a long time. A recent study finds that one-third of the urban poor in 1979 were poor in at least eight of the 10 years from 1974-1983. In those cities where the one-year poverty rates are highest, the fraction of persistently poor is also the greatest. Half or more of all the poor in New York, Chicago, Philadelphia, New Orleans, and Atlanta in 1980 were persistently poor.

Two Populations at Hazard

The Immediate Crises of the Young

The working groups were concerned with the plight of children in light of shifting economic, social, and family structures. For example, the declining capacity of urban schools to educate seems locked in a downward spiral as troubled schools are called upon to serve a growing concentration of disadvantaged students. Schools and the disadvantaged are caught in a larger social dynamic in which they feed each others' incapacities.

Teenage Pregnancy. Among the socially and educationally disadvantaged, unwanted teenage pregnancy is a particularly significant problem, according to the Health Working Group. The consequences of unwanted teenage pregnancies are compounded by a lack of adequate prenatal care and maternal nutrition. Premature births occur at a higher rate among teenagers and frequently yield newborns of between one and two pounds. At the same time, heroic efforts are made to save physically and mentally disabled infants—but the price is staggering: hospital bills in the quarter of a million dollar range, representing a down payment on a lifetime of extraordinary health-care needs.

Infant Mortality. The Health Working Group cited equally disturbing conditions regarding the U.S. infant mortality rate. U.S. infants die at a rate exceeding that of 18 countries.

✔ Although the infant mortality rate in the United States continues to decline, the trend is slower than in the 1970's and at a lesser pace than rates in many other countries.

✔ In several cities, the infant mortality rate is twice the national average. The rate for blacks continues to be almost double the rate for other groups.

✔ Low-birth weight infants (less than 2,500 grams) account for about two-thirds of all newborns who die; the percentage of very low birth-weight babies was actually higher in 1984 than in 1978.

✔ No prenatal care was received by one out of five white mothers and two of five black mothers during the first trimester of pregnancy in 1984, yet a lack of adequate prenatal care contributes to high infant mortality and low birth-weights.

Children in Poverty. The Poverty Working Group found the statistics for children particularly disheartening:

✔ One in four children are born into poverty in this country, and more than one in five will grow up in poverty.

✔ In 1986, almost 32 percent of all children five years old or younger were poor. Of black and Hispanic children under age five living with one parent, nearly two out of three were poor. In white one-parent families, 36 percent of the children lived in poor families. However, even in black and Hispanic families with two parents, two out of five children are poor.

✔ Children born out of wedlock to young mothers without skills or education are perhaps the single group most at risk of long-term poverty and deprivation.

Education. It is against this backdrop that the Education Working Group states that the most acute problem in urban education involves the unmet needs of a growing concentration of disadvantaged children in central cities who will not receive an education sufficient for them to enter the mainstream of American society. The working group concludes that the disadvantaged segment of the school-age population is growing, the United States is becoming more dependent on these students, and they are concentrated in cities.

The working group points out that almost every one of the nation's large city school systems have predominantly minority enrollments and a high percentage of students whose first language is not English.

✔ In Boston, 70 percent of the school population is black or Hispanic, and a majority come from families receiving welfare and living in public housing projects.

✔ Of Los Angeles' half-million students, one-quarter are white, one-quarter are black, and one-half are Hispanic.

✔ In Dallas, students speak more than 70 languages.

In educational attainment, urban black and Hispanic students are less likely to achieve in school, less likely to complete high school, and less likely to go to college than their peers, according to the working group. Moreover, black college attendance recently has been declining.

The Education Working Group points out that learning in school depends critically upon the emotional, social, and cognitive predispositions that children develop at home. Children growing up in homes assailed by economic insecurity, poverty, and despair frequently do not receive parental encouragement to study, to do homework on time, and to excel in school. For this reason, the concerns raised by the economic development, environmental protection, housing, and poverty panels have serious implications for schooling.

The Poverty Working Group comments on the degree to which public education suffers from an increased concentration of the poor in central cities. The cost of public education increases, because it is more difficult and costly to attract qualified teachers; the quality of the learning/teaching experience decreases, because there is less mixing of students across race and class lines, and middle-class families exit the school system, either by leaving the jurisdiction or enrolling their children in private schools.

Clearly, as the Education Working Group concludes, urban school districts face a host of financial problems resulting from the concentration of students with special needs. Urban schools must spend far more dollars per pupil than suburban schools because of this educational responsibility, as well as other factors such as the costs of devising and administering desegregation plans. They face these added burdens with limited revenue capabilities due to limited fiscal capacity, lower incomes of residents, general municipal overburden, and deteriorating citizen support.

Adjusted for inflation, federal aid to the nation's largest districts declined 20 percent from the 1980-81 school year to the 1985-86 school year. Even with additional funding, the capacity of public education in those cities is embedded in the capacity of faculty, who face bureaucratic mazes that impede the adaptability necessary to meet students' needs. Meanwhile, student dropout and teacher-burnout rates are approaching crisis proportions.

The Elderly and the Health-Care Time Bomb

During the past two decades, expenditures for health and medical care have doubled from 5.8 percent to 11 percent of the Gross National Product (GNP). Based on this trend, as calculated by the U.S. Health Care Financing Administration, expenditures will reach 15 percent of GNP by the year 2000. If so, as the Health Working Group warns, society will cross the threshold of the 21st

century devoting to health and medical care almost $1 of every $6 of goods and services produced in the economy.

The 1990's may well be the decade in which the United States learns what other industrial nations have long known—no society, no matter how prosperous, can provide all the health care its population is capable of consuming. Health care resources are limited; choices must be made.

Long-Term Health Care Needs of the Elderly. According to the Health Working Group, the elderly population—which represents 13 percent of the U.S. population—will increase to 21 percent during the next 40 years. Demographic trends suggest that the number of people requiring long-term care will increase dramatically over the next decades.

Nationwide, there are 51 nursing home beds per 1,000 elderly persons. For every person in a nursing home, there are two living in the community with similar disabilities. Yet, few states have programs aimed at providing in-home services comparable to those provided in nursing homes. And, in those states with such programs, there often are long waiting lists. Medicare coverage is limited to those requiring skilled services, even though the vast majority of long-term care recipients require intermediate or custodial care, not skilled care. Because the government pays for less than half of the cost of nursing home care—nearly $25,000 annually per individual—the potential need for long-term care is unquestionably the single largest threat to the economic well-being of the elderly.

Although a major source of assistance for the aged, Medicaid reimbursement formulas tend to encourage discriminatory admissions practices. Because most states use a per diem reimbursement, based on average costs, nursing homes must maintain an appropriate "case mix" in order to remain financially solvent. Those patients with the greatest care needs are the most costly and as a result have the hardest time gaining admission to nursing homes.

Because Medicaid reimbursement is set substantially below the actual cost of care, nursing homes further discriminate against "public-pay" patients. "Private-paying" patients provide an important subsidy for money-losing Medicaid services. Consequently, waiting times for admission to a nursing home for Medicaid recipients are often from six months to 18 months.

Urban Universities and the Future

The United States has entered a period of extraordinary vulnerability at home and abroad, according to the six working groups.

Implications of the large federal deficit and America's new status as a debtor nation are in the forefront of national policy discussions.

With dolphin corpses washing ashore on the New Jersey coast and forests dying in the Great Smoky Mountains, U.S. environmental vulnerability has moved back into policy discussions.

If not at the forefront of key policy discussions, the energy crisis of recent years has given the United States a glimpse into the effects of major resource depletions and the growing dependence of the American economy on the rest of the globe.

Yet, what the policy papers document is that the resource that always has been the strength and pride of the United States—its *population*—is also in peril.

The population is aging, with an ever-larger portion increasing its dependency on the rest of society.

Fewer people are moving into the labor force as the numbers of young workers decline and many are not qualified for work in a 21st-century economy.

A greater percentage of the young population is black or Hispanic, poor, and increasingly disadvantaged.

Moreover, the United States has been pursuing and proposing policies that will diminish further the population's capabilities. Not only is the nation losing resources necessary for its future prosperity and security, but America is denying its citizens opportunities that should be a birthright, leaving them alienated and in misery—members of a permanent underclass.

If these conclusions seem strong, others have reached stronger ones. A 1983 U.S. Department of Education report, *A Nation at Risk*, viewed with alarm the "rising tide of mediocrity" in the nation's schools and claimed that had it been imposed by foreign enemies, "we might well have viewed it as an act of war." The recent report of the National Housing Task Force, *A Decent Place to Live*, coined the term "domestic terrorism" to describe conditions in many urban neighborhoods, posing the question, "What is life in many poor, urban neighborhoods but terrorism at home?"

Evidence presented by the six working groups suggests that permanent structures of economic and social inequity are being etched in the United States, creating not only classes of people at permanent disadvantage but also regions of the country equally held back. These equations of growing disadvantage and permanent inequity are working themselves out primarily in cities and between cities, in this predominantly urban nation.

It is ironic that during the last 10 years, as the United States purposely rejected having a national urban policy, America's future has become inextricably tied to the human resources in its cities.

All of the working groups made their recommendations within the context of limited financial resources at the federal, state, and local levels. As the Economic Development Working Group put it, because of the unacceptably high and persistent budget deficit, which is in part responsible for the U.S. trade deficit, this is not the time for new and expensive initiatives that are merely redistributive. Rather, policy recommendations must be consistent with federal efforts to bring expenditures in line with revenues. This does not, however, imply that new initiatives are inappropriate, or that budget discussions should be couched in terms of choices that realistically do not exist.

A major theme in all six working group reports is that the United States may be losing its institutional capacity to deal with major social and economic problems, especially those related to the demographic transformation of the country. A critical part of that lost capability is a refusal to admit the long-term financial costs of not dealing with these problems. Such inaction will only create a major hidden deficit for the country.

Urban universities have a strong self-interest in national action on the issues raised in the six working group reports. Self-interest lies not in the research funds that a systematic addressing of these problems would yield, but because urban universities already are dealing with the consequences of these problems. If these issues are not recognized in a national policy debate—if action is not taken soon—they will surely force themselves on to the national policy agenda when they have reached, perhaps, unmanageable proportions.

Oversight Committee, Urban Policy Project

Editor's Note: Unless otherwise indicated, all listed institutional affiliations are those at the time the working groups met during early 1988.

David Ames, *University of Delaware*
Nevin Brown, *National Association of State Universities and Land-Grant Colleges*
Sue Marx Smock, *Wayne State University*
Jerome Ziegler, *Cornell University*

Urban Economic Development Policy Working Group

Chair: Marie Howland, *University of Maryland, College Park*

Members: Thomas Ballard, *University of Tennessee*
Edward Bergman, *University of North Carolina at Chapel Hill*
Richard Bingham, *University of Wisconsin-Milwaukee*
Edward Blakely, *University of California, Berkeley*
Robert Burchell, *Rutgers, The State University of New Jersey*
Kenneth Corey, *University of Maryland, College Park*
Margaret Dewar, *University of Minnesota*
Edward Hill, *Cleveland State University*
Irving Hoch, *University of Texas at Dallas*
C. Theodore Koebel, *University of Louisville*
Jane Lillydahl, *University of Colorado at Boulder*
Gill-Chin Lim, *University of Illinois at Urbana-Champaign*
Blaine Liner, *The Urban Institute*
Harold Wolman, *Wayne State University*

Urban Education Policy Working Group

Chair: Jeffrey Raffel, *University of Delaware*

Members: William Boyd, *Pennsylvania State University*
Sandra Elman, *University of Massachusetts at Boston*
Eugene Eubanks, *University of Missouri-Kansas City*
Donna Evans, *Wayne State University*
Mario Fantini, *University of Massachusetts at Amherst*
Eleanor Farrar, *State University of New York at Buffalo*
Marcia Feld, *University of Rhode Island*
Norma Furst, *Harcum Junior College*
Paul Geisel, *University of Texas at Arlington*

Gloria Grantham, *University of Delaware*
Martin Katzman, *University of Texas at Dallas*
George LaNoue, *University of Maryland, Baltimore County*
Edward Hill, *Cleveland State University*
Herbert Walberg, *University of Illinois at Chicago*

Urban Environmental Protection Policy Working Group

Chair: James Gillett, *Cornell University*

Members: David Arey, *Southern Illinois University at Carbondale*
Joseph Cooney, *University of Massachusetts at Boston*
Robert Costanza, *Louisiana State University at Baton Rouge*
Janet Johnson, *University of Delaware*
Ian Tinsley, *Oregon State University*
Judith Weis, *Rutgers University, Newark Campus*
Armon Yanders, *University of Missouri-Columbia*

Urban Health Policy Working Group

Chair: Roger Battistella, *Cornell University*

Members: James Begun, *Medical College of Virginia/ Virginia Commonwealth University*
Gordon DeFriese, *University of North Carolina at Chapel Hill*
William Kissick, *University of Pennsylvania*
Stephen Loebs, *Ohio State University*
Richard Southby, *George Washington University*
John Waller, *Wayne State University*

Urban Housing Working Group

Chair: David Listokin, *Rutgers, The State University of New Jersey*

Members: John Adams, *University of Minnesota*
David Bartelt, *Temple University*
Janet Brown, *Cornell University*
Barry Cullingworth, *University of Delaware*
Allan Goodman, *Wayne State University*
Louis Masotti, *Northwestern University*
Mary Nenno, *National Association of Housing and Redevelopment Officials*

Paul Niebanck, *University of California, Santa Cruz*
Charles Orlebeke, *University of Illinois at Chicago*
William Peterman, *University of Illinois at Chicago*
Patricia Pollak, *Cornell University*
Michael Stegman, *University of North Carolina at Chapel Hill*
Ray Struyk, *The Urban Institute*
David Varady, *University of Cincinnati*
Jennifer Wolch, *Association of American Geographers and University of Southern California*

Urban Poverty Working Group

Co-Chairs: Robert Corrigan, *University of Massachusetts at Boston* (now at *San Francisco State University*)
Howard Chernick, *Hunter College/City University of New York*

Members: Barry Bluestone, *University of Massachusetts at Boston*
Leon Chestang, *Wayne State University*
Sheldon Danziger, *University of Wisconsin-Madison*
Briavel Holcomb, *Rutgers, The State University of New Jersey*
Thomas Jenkins, *University of Cincinnati*
Ron Mincy, *University of Delaware*
David Sink, *University of Alabama at Birmingham*
John Stapleford, *University of Delaware*
Jay Stein, *State University of New York at Buffalo*
Edmund Toomey, *University of Massachusetts at Boston*
David Wellman, *University of California, Santa Cruz*

Photo Credits

Page iii: Top Left, University of Rhode Island
Top Right, Jim Kirby
Middle, University of Rhode Island
Bottom, United Nations

Page vi: Top, Mathcounts
Middle, Richard Frasier
Bottom Left, West Chester Area School District, West Chester, PA
Bottom Right, Jim Kirby

Page viii: Full Page, Jim Kirby